

SENATE BILL 1604

By Bailey

AN ACT to amend Tennessee Code Annotated, Title 13;  
Title 62 and Title 66, relative to property located  
along existing rights-of-way.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 13, Chapter 7, is amended by adding  
the following language as a new part:

13-7-701.

As used in this part:

(1) "Governmental entity" means this state or any political subdivision of  
this state, including, but not limited to, a municipal, county, or regional planning  
commission, or an applicable legislative body;

(2) "Major road plan" means the major road plan adopted by the  
applicable regional planning commission in accordance with § 13-3-402(a),  
whereby a certified copy of the major road plan has been filed in the office or  
offices of the county register or registers of the county or counties lying in whole  
or in part in the region;

(3) "Major street plan" means the major street plan adopted by the  
planning commission of a municipality in accordance with § 13-4-302(a),  
whereby a certified copy of the major street plan has been filed in the office of the  
county register of the county in which the municipality is located;

(4) "Regional planning commission" means any regional planning  
commission established under § 13-3-101; and

(5) "Right-of-way reservation" means:

(A) An agreement between a landowner and a governmental entity whereby the landowner is prohibited from erecting a permanent building within an area designated as the location of a future right-of-way in the major road plan or major street plan; and

(B) A reservation that does not affect the application of the existing right-of-way for determining the placement of easements or setbacks.

13-7-702.

(a) A governmental entity shall not require a right-of-way dedication that requires a landowner to transfer ownership of any portion of the landowner's property located along an existing public right-of-way to the governmental entity as a condition of approving any application made to the governmental entity.

(b)

(1) Subject to subdivisions (b)(2)-(5), a governmental entity may require a right-of-way reservation as a condition of approving any proposed subdivision of a property.

(2) If a governmental entity requires a right-of-way reservation pursuant to subdivision (b)(1), then the landowner has the choice of agreeing to a right-of-way reservation or a right-of-way dedication.

(3) If a landowner, who has agreed to a right-of-way reservation pursuant to subdivision (b)(2), transfers the applicable property to another person, then that new landowner may convert the right-of-way reservation into a right-of-way dedication through a process determined by the governmental entity.

(4) If the governmental entity diminishes the distance of the required right-of-way in the adopted major road plan or major street plan, as applicable,

following the creation of a right-of-way reservation, then the right-of-way reservation automatically diminishes to reflect the new distance in the adopted major road plan or major street plan, as applicable.

(5) If a governmental entity takes possession of the property covered by a right-of-way reservation, then the landowner of the property is entitled to just compensation as required by law.

SECTION 2. Tennessee Code Annotated, Title 62, Chapter 13, Part 4, is amended by adding the following as a new section:

Notwithstanding §§ 62-13-403, 62-13-404, and 66-5-206, a real estate licensee has no duty to inform any party to a real estate transaction concerning a right-of-way reservation or any rights attached to the real estate with regard to § 13-7-702.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.